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FISCAL IMPACT STATEMENT

LS 7181

BILL NUMBER: SB 500

NOTE PREPARED: Jan 3, 2004

BILL AMENDED:

SUBJECT: Termination of Utility Services.

FIRST AUTHOR: Sen. Lanane

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits a utility from terminating service to a person who is eligible for and has applied for home energy assistance regardless of whether the person receives home energy assistance. The bill requires the Division of Family and Children to accept applications and determine eligibility for home energy assistance from December 1 through March 15.

Effective Date: July 1, 2004.

Explanation of State Expenditures: Eligibility for home energy assistance is determined at 24 local Community Action Agencies (CAA) located throughout the state. The state sets the eligibility guidelines, and the CAA determines the eligibility of the household on a one-time basis each year. Application processing begins in November and runs until May 31 or until the funds are depleted. The energy assistance program distributes the available federal energy block grant funds and Indiana Oil Overcharge funds that may be made available, on the basis of the local low-income population, not the number of applicants. Currently, no applications are accepted once the assistance funds for the CAA are depleted although a waiting list may be kept in the event that additional emergency funds become available.

Under the terms of the current administrative contracts, the Community Action Agencies receive \$34 per application taken. Since the CAAs discontinue taking applications when the assistance funding is depleted, an estimate of the number of all households that might ultimately benefit from the provisions of the bill is not available. The CAAs would require additional resources to continue the application process since the agencies employ temporary seasonal workers to process the workload. This could be accomplished within the level of available funding by using direct assistance funds for the additional administrative services. The federal energy assistance block grant has an administrative spending cap; if the provisions of the bill would

require exceeding the administrative cap, Indiana Oil Overcharge funds, if available, could be used for the increased administrative expenses.

Whether the protection from disconnection is sufficient benefit to motivate eligible applicants to apply for the program is not known.

Explanation of State Revenues:

Explanation of Local Expenditures: The requirement for increased administrative actions that would deplete direct energy assistance dollars available may increase applications for poor relief from township trustees.

Explanation of Local Revenues:

State Agencies Affected: The Family and Social Services Administration.

Local Agencies Affected: Township Trustees.

Information Sources: Angela Hoover, Deputy Legislative Director, Office of General Counsel, Family and Social Services Administration, 317-233-0890.

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